

Message Text

SECRET

PAGE 01 ASUNCI 00455 01 OF 02 021031Z
ACTION ARA-14

INFO OCT-01 HA-05 ISO-00 TRSE-00 EB-08 AID-05 SS-15
NSC-05 CIAE-00 DODE-00 INR-07 NSAE-00 PA-01
USIA-06 PRS-01 SP-02 /070 W
-----002619 021041Z /10

R 011855Z FEB 78
FM AMEMBASSY ASUNCION
TO SECSTATE WASHDC 2186
INFO AMEMBASSY BUENOS AIRES
AMEMBASSY MONTEVIDEO

S E C R E T SECTION 1 OF 2 ASUNCION 0455

E.O. 11652: GDS
TAGS:SHUM, PA
SUBJ: IFI LOANS TO PARAGUAY

REF: ASUNCION 5039

1. VARIOUS VISITORS FROM AND TO WASHINGTON HAVE INDICATED THAT WHILE DEPARTMENT BASICALLY FAVORS RECOMMENDATIONS CONTAINED REFTEL, THAT IT HAS PROBLEM WITH MY SUGGESTION THAT IN PARAGUAY WE SHOULD NOT MAKE EXCEPTIONS FOR LOANS WHICH MEET BASIC HUMAN NEEDS. THESE SAME VISITORS HAVE OUTLINED THE DEPARTMENT'S POLICIES AND PROCEDURES ON IFI LOANS. THE VISIT OF STANLEY MYLES WAS PARTICULARLY HELPFUL IN THIS REGARD. MY UNDERSTANDING OF THE PROCEDURE BASED ON HIS AND OTHERS' EXPLANATION IS AS FOLLOWS: THERE IS A "RATCHET" SYSTEM WHEREBY COUNTRIES MOVE THROUGH CATEGORIES AS THEIR HUMAN RIGHTS PERFORMANCE IS PERCEIVED BY THE CHRISTOPHER COMMITTEE TO BE IMPROVING OR WORSENING. THE PERTINENT CATEGORIES ARE:

- A) HUMAN RIGHTS PROBLEM EXISTS BUT NOT SERIOUS ENOUGH FOR NEGATIVE VOTE ON LOANS.
- B) HUMAN RIGHTS PROBLEM SERIOUS ENOUGH TO ABSTAIN ON INTERNATIONAL FINANCIAL INSTITUTION (IFI) LOANS THAT DO NOT MEET BASIC HUMAN NEEDS BUT VOTE "YES" ON BASIC HUMAN

SECRET

SECRET

PAGE 02 ASUNCI 00455 01 OF 02 021031Z

NEEDS LOANS.

- C) HUMAN RIGHTS RPBOELM EVEN MORE SERIOUS SO THAT GROUP RECOMMENDS OPPOSITION ("NO" VOTE) ON LOANS THAT DO NOT MEET BASIC HUMAN NEEDS, BUT "YES" ON LOANS THAT MEET BASIC HUMAN NEEDS.
- D) HUMAN RIGHTS PROBLEM AT MOST SERIOUS LEVEL, GROUP DECIDES TO VOTE "NO" ON ALL LOANS, BOTH NON-BASIC HUMAN NEEDS AND BASIC

HUMAN NEEDS LOANS.

2. ASSUMING THIS SCHEMA TO BE BASICALLY CORRECT, I BELIEVE IT WOULD BE USEFUL TO ADD ONE MORE CATEGORY.

3. MY REASONING IS AS FOLLOWS. IT SHOULD BE OUR OBJECTIVE TO USE WHAT LEVERAGE WE HAVE TO INFLUENCE A PROBLEM COUNTRY IN FAVOR OF HUMAN RIGHTS. WE ALL RECOGNIZE THAT THERE ARE COUNTRIES WHERE TERRIBLE POVERTY AND TURBULENT SOCIAL CONDITIONS ARE PRE-SIDED OVER BY AN INEFFECTUAL GOVERNMENT WHICH IN ATTEMPTING TO KEEP ORDER OFFENDS AGAINST HUMAN RIGHTS. UNDER THESE CONDITIONS, IT IS CLEARLY HUMANE AND ALSO PRACTICAL TO ENCOURAGE THE GOVERNMENT TO BETTER PERFORMANCE WHILE AT THE SAME TIME TO PERMIT LOANS WHICH MEET BASIC HUMAN NEEDS TO GO THROUGH. BUT THIS IS NOT THE CASE WITH PARAGUAY. HERE WE HAVE A RAPIDLY ADVANCING ECONOMY AND A GOVERNMENT WHICH EXERCISES TOTAL CONTROL OVER A COWED POPULATION. THERE DOES NOT EXIST EVEN THE PRETEXT OF A REASON TO CONTINUE THE ARBITRARY ARRESTS, TORTURE, AND DENIAL OF DUE PROCESS ROUTINELY PRACTICED BY THE STROESSNER REGIME.

4. THEREFORE, I ADVOCATE THE ADDITION OF A CATEOGRY IN WHICH WE VOTE FOR OR AGAINST LOANS WITHOUT REGARD TO WHETHER THEY MEET BASIC HUMAN NEEDS. THIS CATEGORY WOULD COMPRISE THOSE COUNTRIES WHERE THERE EXISTS A STABLE AND EFFECTIVE GOVERNMENT RULING A RELATIVELY TRANQUIL COUNTRY WHICH IS NOT BESET BY
SECRET

SECRET

PAGE 03 ASUNCI 00455 01 OF 02 021031Z

GRINDING POVERTY AND WHERE OUR INFLUENCE CAN BE EXPECTED TO BRING ABOUT A POSITIVE CHANGE IN A RELATIVELY SHORT SPAN OF TIME.

SECRET

NNN

SECRET

PAGE 01 ASUNCI 00455 02 OF 02 021036Z
ACTION ARA-14

INFO OCT-01 HA-05 ISO-00 EB-08 TRSE-00 AID-05 SS-15
NSC-05 CIAE-00 DODE-00 INR-07 NSAE-00 PA-01
USIA-06 PRS-01 SP-02 /070 W
-----002715 021040Z /10
R 011855Z FEB 78

FM AMEMBASSY ASUNCION
TO SECSTATE WASHDC 2187
INFO AMEMBASSY BUENOS AIRES
AMEMBASSY MONTEVIDEO

S E C R E T SECTION 2 OF 2 ASUNCION 0455

5. LET US SEE HOW THIS WOULD WORK OUT IN PRACTICE, OUR OBJECTIVE IN PARAGUAY AS SECION 502(B) SAYS, IS "THE PROMOTION OF INCREASED OBSERVANCE OF HUMAN RIGHTS." IN ORDER TO ACCOMPLISH THIS WE EXACT A PRICE, A DEFINITE POSITIVE ACTION ON THE PART OF PARAGUAY TOWARDS INCREASED OBSERVANCE OF HUMAN RIGHTS, FOR ANY FAVORABLE VOTE ON IFI LOANS. IF PARAGUAY IMPROVES IN AN IMPORTANT WAY, WE VOTE IN FAVOR OF LOANS WHETHER THESE LOANS QUALIFY AS BASIC HUMAN NEEDS LOANS OR NOT. A FAVORABLE VOTE ON A NON-NEEDY PROJECT DOES NOT MEAN THAT WE ARE MAKING ANY DETERMINATION THAT PARAGAY IS NOT A CONSISTENT VIOLATOR. IT MERELY MEANS THAT WE RECOGNIZE THAT PARAGUAY HAS TAKEN ONE SOLID ACTION IN FAVOR OF HUMAN RIGHTS AND WE WANT TO ENCOURAGE PARAGUAY TO TAKE MORE SUCH POSITIVE STEPS. MOREOVER, AS THE DECEMBER 1977 REPORT OF THE INTERNATIONAL LEAGUE OF HUMAN RIGHTS ON PARAGUAY POINTS OUT "WE CAN VERIFY THAT THERE HAS BEEN SOME DEGREE OF IMPROVEMENT OVER THE LAST YEAR." IF THAT DEGREE OF IMPROVEMENT IS ACCOMPANIED WITH A VISIT BY THE IAHR, PARAGUAY WILL HAVE TAKEN ACTIONS THAT IN MY OPINION JUSTIFY THE DEPARTMENT CONCLUDING THAT PARAGUAY IS TENDING IN THE RIGHT DIRECTION. IT WOULD ALSO HELP IF WE EXPLAINED TO THE CONGRESS AND PUBLIC INTEREST GROUPS EXACTLY WHAT WE ARE DOING AND WHY.

6. IF, ON THE OTHER HAND, PARAGUAY TAKES NEGATIVE ACTIONS
SECRET

SECRET

PAGE 02 ASUNCI 00455 02 OF 02 021036Z

WHICH WORSEN ITS ALREADY POOR RECORD ON HUMAN RIGHTS, THEN WE SHOULD VOTE AGAINST ANY LOAN TO PARAGUAY WHETHER THE LOAN MEETS BASIC NEEDS OR NOT. THIS DOES NOT MEAN THAT WE ARE PLACING PARAGUAY IN THE CATEGORY OF A CONSISTENT VIOLATOR. IT DOES MEAN THAT WE CAN VOTE AGAINST LOANS FOR COUNTRIES WHICH HAVE HUMAN RIGHTS PROBLEMS WITHOUT RECOURSE TO 701(A) OF THE IFI BILL. WE VOTE AGAINST THE LOAN BECAUSE WE THINK THAT THE COUNTRY'S RECORD HAS BEEN WORSENING AND WE WANT TO POINT OUT TO THEM THAT SUCH ACTIONS HAVE CONSEQUENCES.

7. THEREFORE IF THE GOVERNMENT OF PARAGUAY REFUSES TO TREAT PEOPLE ACCORDING TO MINIMALLY ACCEPTABLE INTERNATIONAL STANDARDS, IT IS THEY WHO ARE HOLDING UP THE LOANS, NOT US. OUR ONLY OBLIGATION IS TO EXPLAIN FRANKLY TO THE GOVERNMENT AND THE PEOPLE OF THIS COUNTRY WHY WE VOTE AGAINST THE LOANS. IT IS MY CONSIDERED OPINION THAT THIS APPROACH WILL HAVE A BETTER CHANCE OF MOVING PARAGUAY TO IMPROVE ITS HUMAN RIGHTS PERFORMANCE THAN ANY OTHER, AND SHOULD AT LEAST BE GIVEN A TRY.

WHITE

SECRET

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: HUMAN RIGHTS, POLICIES, LOANS
Control Number: n/a
Copy: SINGLE
Draft Date: 01 feb 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978ASUNCIO0455
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780049-1164
Format: TEL
From: ASUNCION
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t197802108/aaaadnqg.tel
Line Count: 171
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 047e08ce-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: SECRET
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: SECRET
Previous Handling Restrictions: n/a
Reference: 78 ASUNCION 5039
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 jul 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3448437
Secure: OPEN
Status: NATIVE
Subject: IFI LOANS TO PARAGUAY
TAGS: SHUM, EFIN, PGOV, PA, US, IFI
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/047e08ce-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014